

Deferral of the Participation Levy - Frequently Asked Questions (FAQ)

What are the criteria to defer payment of the participation levy?

The aircraft must be inoperable on 1 July and remain that way for at least three months in any deferral period. To be inoperable it must be incapable of being used for any purpose for which it is authorised to be used under a certificate. This may include that it is undergoing extensive maintenance or restoration. The aircraft cannot simply be inactive or parked up to defer your levy.

Is there a cost to me to defer payment of my participation levy?

No, there is no additional or separate cost to use this service.

How do I defer my participation levy?

When your aircraft becomes inoperable, you can notify us to defer your participation levy. To do so, you need to complete the appropriate form (24047/13), available from the CAA website, and return to the Aircraft Registrar, before the levies become due on 1 July. It must be still be inoperable on 1 July for you to be entitled to the deferral.

My aircraft became inoperable during the year. Can I get a refund or credit for levy for the balance of the year?

No. If you met the conditions to be levied on 1 July of that year, you are liable for the full amount of that levy even if the aircraft becomes inoperable during the year. If however your aircraft is inoperable on 1 July, then you can defer the levy.

Can I fly while my participation levy is deferred?

If your aircraft is capable of flight, then it doesn't meet the criteria for deferring your participation levy. You must reinstate your levy as soon as it is operable.

What if I only want to fly it once or twice?

If your aircraft is capable of flight, then it doesn't meet the criteria for deferring your participation levy. You must reinstate your levy as soon as it is operable.

If I defer the participation levy while maintenance is underway, can I test fly the aircraft?

If your aircraft is capable of flight, then it doesn't meet the criteria for deferring your participation levy. You must reinstate your levy as soon as it is operable.

If my aircraft will be inoperable for more than one year, what do I need to do? Do I need to apply every year?

Your aircraft's participation levy will remain deferred until such time as you reinstate it, including over subsequent annual levy dates, so you do not need to do anything once it has been deferred. However you must reinstate your participation levy as soon as it is operable and before you fly your aircraft.

What is required to return the aircraft to flying?

When your aircraft is ready to fly, you need to reinstate your participation levy. To do so, you need to complete the appropriate form, available from the CAA website, and return it aircraft to the Aircraft Registrar. Once your participation levy is reinstated, you will be sent an invoice for the amount required to be paid for the rest of that year.

How much will I be required to pay when I reinstate my participation levy?

If you reinstate your participation levy in less than three months from the beginning of the first financial year for which it was deferred, you will be required to pay the full annual participation levy. If it is more than three months from the beginning of the first financial year for which is was deferred, the remainder of that year's participation levy will be pro-rated.

How will my participation levy be pro-rated?

A. Using the following formula:

$$a \times b \div 365 = c$$

where:

a is the amount of the full year's participation levy that would have been payable on 1 July

b is the number of days in the period beginning on the date the aircraft became operable and ending on the next occurrence of 30 June

c is the pro-rated participation levy amount.

If I sell my plane or project while the participation levy is deferred, what do I need to do?

Advise the buyer that the participation levy has been deferred and therefore the aircraft cannot be flown until the participation levy is reinstated. The new owners will become responsible for advising CAA when the participation levy requires reinstatement. If the new owner reinstates the levy within 3 months from when it is first put on hold, they will be required to pay the full annual participation levy, even if they take possession of the plane after it was deferred.

Who has to pay the participation levy if the aircraft changes ownership while it is deferred?

The registered owner at the time the participation levy is reinstated pays the participation levy. This may mean that if the previous owner deferred the levy and the new owner reinstates it in less than three months, the new owner will incur the full annual fee.

Is my registration mark secure while my participation levy is deferred?

Yes. Nothing will change your aircraft's registration while your participation levy is deferred.

Can I defer my participation levy if my aircraft is in a museum?

If your aircraft meets the criteria and is inoperable then the participation levy can be deferred regardless of where the aircraft is located. The participation levy must be reinstated before an aircraft can be flown.

If I add a syndicate member to the syndicate owning the aircraft while the participation levy is deferred what do I need to do?

You can make any changes to your aircraft's possession or registration details that you would normally make, the same way, via the Aircraft Registrar.

Can I change my registration mark while the participation levy is deferred?

Yes. You can make any changes to your aircraft's registration details that you would normally make, the same way, via the Aircraft Registrar.

Why is only the participation levy deferred?

The Annual Registration Fee and the Participation Levy are two different costs that participants incur, and they relate to different activities undertaken by the CAA. The Annual Registration Fee is a contribution towards the cost of maintaining the register; as your aircraft remains registered while it is inoperable, this cost must still be paid.

If I first register my aircraft while it is inoperable, can I defer my participation levy straight away?

No. Deferrals are only available from 1 July of any financial year. When you first register your aircraft, you will be charged the pro-rated participation levy for the balance of that year from the date that you register it. If it is inoperable on 1 July of the next financial year, you can defer the levy at that point.

How can I check the participation levy status of my (or any) aircraft?

You can find a list of aircraft with deferred participation levies on our website.

Is it an offence to declare an aircraft inoperable when it is not?

This could amount to an offence under Section 49 of the Civil Aviation Act.